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## *Title of the Invention*

### New Product Auction

#### *Abstract*

The present invention provides a fresh method and system for conducting sealed offer *online* auctions for the purpose of price discovery related to new products and services. Instead of the traditional marketing scheme, the present invention harmonizes the theory of price discovery in economics with the theory of sample marketing. The purpose of a New Product Auction is to raise awareness of a particular product through online actions while discover the true market price for that product in order to establish a selling price later on. In a New Product Auction, the seller/maker of a new product will offer a set amount (greater than one) of that product in a no reserve online auction. The seller/maker will give description about the usages and benefits of the product, and buyers will place sealed bid on such new product based on their perception of value about that product. The auction has a scheduled deadline tracked by the auction system provider and selected by the seller/maker of the product; all bids are sorted based on *time of entry* and are sealed during the auction process. Winners of the auction will vary depending on diverse scenarios (*as addressed in Detailed Description*). Each buyer is entitled to *only* one such product if he/she wins. The winning price of such an auction will be a single price for all winners, calculated based on a selected statistical averaging method. The winners will be required to leave online comments about the product upon receipt of the product. The seller/maker then will list another round of New Product Auction for the same product, and the bidding process will repeat itself, except that the winners in the first round of auction will not be allowed to participate again regarding the same product. The second round of bidders will determine their bids based on their valuation of the new product and the feedbacks from the first round of winners. A seller/maker can select any number of rounds sufficient enough for it to determine the true market price before making a serious commitment to manufacture or market such a product.